

officials noted that while the Muslims are busy building a formidable military machine, the Bosnian Serb army is imploding under the weight of the current power struggle, a lack of funds, poor morale, a severe shortage of spare parts and high desertion rates.

There have been several indications over the last few weeks that the Bosnian government's secret weapons acquisition program and clandestine training has been stepped up. For example, an Egyptian freighter sailing under a Ukrainian flag sits quarantined under NATO guard in the waters off the Croatian port of Ploce, its hold filled with 10 Soviet-built T-55 tanks half were to be delivered as part of a secret arms shipment to the Bosnian Muslim army.

All weapons deliveries are supposed to be shared between Muslim and Croatian units in the united force established under the peace accord. The Muslim-Croat force exists largely on paper, however, and NATO officials said the T-55s were to be delivered only to the Muslims.

A spokesman from the State Department's Task Force on Military Stabilization in the Balkans reached in Washington described the impounded weapons as a "procedural" problem that "will be resolved shortly."

But senior NATO officials described the Americans at being angry about the shipment, and said that other shipments have managed to elude NATO monitors and have been delivered. There have been reports in recent weeks of heavy arms shipments arriving in the Croatian port of Rijeka which is not monitored by NATO soldiers as Ploce is, senior officials said.

These officials also said that an Iranian Revolutionary Guard general was posted to the Iranian Embassy in Zagreb, Croatia's capital, and that since his arrival in August he has apparently been working out deals with the Croats to smuggle more weapons to the Muslims. And NATO officials say they have received several intelligence reports of clandestine infantry training for Bosnian Muslim soldiers in Iran and Malaysia.

The clandestine effort to build up the Bosnian army is in violation of the Bosnian peace agreement which sets strict limits on the number of heavy weapons possessed by each side. The rearmament effort comes in parallel to a Washington-backed program, known as "equip and train," that provides instruction and NATO armor and artillery to the Bosnian Croats and Muslims. The \$300-million program, which has included the delivery of advanced American tanks two generations ahead of anything in the Bosnian Serb arsenal; has in the eyes of many senior NATO officials including the British, already tipped the military balance in favor of the Muslims.

Senior Russian commanders, who are increasingly nervous about the Muslim buildup against their traditional Serbian allies, recently met with senior Bosnian Serb generals and handed them classified NATO satellite photos of military training camps set up for Bosnian Muslims in an effort to warn the Serbs of the impending debacle, according to Western diplomats.

"The Bosnian Serb generals were stunned," said a senior Western diplomat who was informed of the meeting. "The mood in the room was very black."

The Bosnian Muslims insist that they are only acquiring weapons and training under the strict limits set down by the Bosnian peace agreement and under the guidelines of the "equip and train" program.

"A needle can't get in here without NATO knowing about it," said Mirza Hajric, and adviser to President Alija Izetbegovic of Bosnia. "Anyone who believes this stuff can be smuggled in here is a fool. Apparently the

Ministry of Defense did not properly inform the U.S. officials about this ship, but NATO was informed. It is just poor communications. I assume it was a mistake. As far as training goes there is no military training of Bosnians in Iran or other countries. All training is done under equip and train."

NATO strategists, who expect the Muslims to first try to seize the Serb-held lands in eastern Bosnia, say the region could fall "in a matter of days."

"We also expect most all of the Serbs there to be driven into Serbia," said a senior NATO commander, an event that could force Belgrade, even against its will, to intervene. This is a high-risk operation."

The officials also outlined a scenario in which the Bosnian Muslims and Croatia would resume the joint offensive in northwestern Bosnia that they pursued with such success in the final months of the war. The Muslims and Croats recaptured large chunks of territory in August and September 1995 and threatened Banja Luka, the largest town under Bosnian Serb control, before Washington imposed a cease fire. Muslim and Croatian commanders often speak bitterly of Washington's decision to intervene.

Croatia, which has a larger military budget at \$1.4 billion than Poland, a much larger country, is as busy rearming as the Muslims, cutting arms deals worth tens of millions of dollars with companies in Turkey and Israel, these NATO officials said.

"The Croats are very interested in getting their hands on western Bosnia," said a NATO official. "The attitude is that they will get whatever they can get now by helping the Muslims drive out the Serbs. They think they can deal with the Muslims later."

Washington's "equip and train" program, despite all the mounting danger signs, plows ahead as if the peace agreement was on the verge of fulfillment. It is touted by Washington as an effort to build a joint 45,000-strong force of ethnic Croats and Muslims. The Bosnia Croats and Muslims are normally part of a federation, but their continued antagonism has so far made a mockery of American efforts to form joint units and commands.

Military Professional Resources, a Virginia-based private contractor that is carrying out the training, has 200 American trainers, all retired U.S. Army officers or non-commissioned officers, currently in Bosnia. Since Aug. 1, 1996, the contractor has trained close to 5,000 soldiers, most of them Muslims under the 70-30 ratio that is supposed to exist between Muslims and Croats in the putative federation army.

The trainers, accompanied by translators, conduct classes on the operation and maintenance of the donated equipment each day at the old Yugoslav tank base in Hadzici, 15 miles south of Sarajevo.

The warehouses on the base, once filled with old Soviet-style tanks, are now occupied with modern weapons, including 45 American M-60A3 tanks, 12 130mm field guns, 12 122mm howitzers, 36 105mm howitzers, 80 M-113A2 armored personnel carriers, 31 French troop transport vehicles, and 31 French armed scout vehicles donated by the United States, Egypt, and the United Arab Emirates.

A factory in Travnik, controlled by the Muslims, is producing about 50 more 122mm howitzers and the United States is scheduled to provide 116 of the biggest guns in its field artillery arsenal, 155mm howitzers.

The federation is permitted, under the quota imposed by the Dayton agreement, to have 273 battle tanks and 1,000 pieces of artillery.

The trainers said the hardware being provided to the federation outclassed anything the Bosnian Serbs could put in the field. The

M-60A3 tank's gun has a longer range than that of the T-84, a Ukrainian variant of a Soviet design that is the Bosnian Serbs' best tank.

"This gun can put out four to five rounds a minute with a good crew," said John Reed, 40, from Killeen, Texas. "I would put it up against a T-84 or a T-72 in a minute. It is the best tank in Bosnia."

PERSONAL EXPLANATION

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1997

Mrs. KELLY. Mr. Speaker, yesterday, October 29, I was detained for health reasons and missed Rollcall Votes 535 through 544.

Had I been present, I would have voted: "no" on Rollcall No. 535, "yes" on Rollcall No. 536, "yes" on Rollcall No. 537, "yes" on Rollcall No. 538, "yes" on Rollcall No. 539, "yes" on Rollcall No. 540, "no" on Rollcall No. 541, "yes" on Rollcall No. 542, "yes" on Rollcall No. 543, and "yes" on Rollcall No. 544.

In addition, Mr. Speaker, on Rollcall No. 547 today, I was mistakenly recorded as voting "yes". I meant to be recorded as voting "no" on Rollcall No. 547, and I ask that this be reflected in the RECORD.

AMERICA'S OFFSHORE OIL AND GAS INDUSTRY

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1997

Mr. ORTIZ. Mr. Speaker, in 1947, on a simple platform more than 10 miles out in the Gulf of Mexico, a thriving industry was born. America's domestic offshore oil and gas industry is a significant and crucial component of the U.S. economy.

The industry came of age as our country was moving from a wartime to a peacetime economy. Companies, trying to meet the enormous public demand for oil and gas during this time, turned their sights from dry land to the frontier just beyond the water's edge and its ensuing problems. Offshore exploration posed new challenges, such as underwater exploration, weather forecasting, tidal and current prediction, drilling location determination, and offshore communications.

Despite the difficulties in such an undertaking, Kerr-McGee Corp. struck oil on a beautiful Sunday morning on October 4, 1947. This monumental event on Ship Shoal Block 32 in the Gulf of Mexico marked the birth of the offshore petroleum and natural gas industry as it is known today. Kerr-McGee was a small yet determined exploration and production company that predicted the eventual outcome of their daring feat and discovered commercial oil in the world's first well drilled in the open water.

Comparisons with yesterday always compel us. Fifty years ago, the cost of the first offshore project exceeded \$450,000. Today, the costs can reach around \$1.2 billion per project. The first year of production netted 99,371 barrels; today's new deepwater offshore facilities can produce over 100,000 barrels of oil per day. In 1947, the first effort to